



Economic and Social Council

Distr.
LIMITED

E/ICEF/1990/AB/L.6
26 March 1990

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Committee on Administration and Finance
1990 session

FOR ACTION

UNICEF GREETING CARD AND RELATED OPERATIONS
WORK PLAN AND PROPOSED BUDGET FOR 1990

Summary

This document presents the work plan and proposed budget for the UNICEF greeting card and related operations (GCO) for the 1990 season (fiscal year 1 May 1990-30 April 1991).

Chapter I provides an overview of the work plan. Chapter II presents the income and expenditures budgeted for greeting cards and related products. Chapter III presents income and expenditures budgeted for private sector fund-raising.

The new Greeting Card Operation (GCO) mandate in the area of special fund-raising events and new initiatives, as well as the budgeted income and expenditures for this area, are described in chapter IV. The GCO medium-term plan for the period 1988-1994 is shown in chapter V.

A synopsis of 1989 achievements and activities planned for 1990, based on the rolling plan and the six corporate goals of GCO, are presented in annex I. Organizational structure and staffing for 1990 are explained in annex II.

The Executive Director recommends approval of the GCO budget for the 1990 fiscal year and the draft resolutions contained in chapter VI.

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I. OVERVIEW

1. The greeting card and related operations (GCO) in 1989 completed their fortieth consecutive year of production and distribution of UNICEF products. GCO is currently achieving new records in volume and net profit and has broadened its responsibilities in private sector fund-raising and in special fund-raising events and new initiatives (SENI) where it co-ordinates closely with other UNICEF divisions.

2. After three years of experience in supporting private sector fund-raising appeals by National Committees for UNICEF and field offices, this year's GCO budget and work plan propose activities, income projections and expenditures covering all three GCO income-generating areas, which aim to maximize income for UNICEF general resources from the public at large.

- (a) Greeting cards and related products;
- (b) Private sector fund-raising;
- (c) Special fund-raising events and new initiatives.

3. The GCO work plans and budgets are based on the rolling-plan concept and six corporate goals:

- (a) Goal No. 1: reach a 50 per cent net profit on sales proceeds by 1992 and thereafter;
- (b) Goal No. 2: achieve global annual sales of 150 million cards by 1990;
- (c) Goal No. 3: establish and maintain a unified UNICEF image in both products and promotion;
- (d) Goal No. 4: increase funds for UNICEF general resources through new fund-raising activities directed at the private sector;
- (e) Goal No. 5: improve the GCO human resources development programme;
- (f) Goal No. 6: maintain an effective management information system.

4. Within the corporate goals, major 1990 objectives for GCO are to:

- (a) Reach a goal of 150 million cards sold and expand the "in-house" mailing lists of National Committees to 5 million addresses while raising \$51 million net through product sales, \$7.7 million from private sector fund-raising and \$1.9 million from special fund-raising events;
- (b) Integrate the new fund-raising and special fund-raising events mandates into the UNICEF and GCO structure and procedures in order to support National Committees, field offices and other partners in their efforts to achieve established sales and fund-raising goals with increased effectiveness and unity of purpose;
- (c) Expand the range of products and improve the quality of existing products and promotional materials;

(d) Continue to contain costs through rigorous monitoring of performance indicators and the application of detailed expense-approval systems;

(e) Increase sales outreach through special programmes such as the United States Committee consignee expansion programme and the European programmes for the creation of UNICEF shops. (For details see annex I below, corporate goal 2.)

5. A detailed breakdown of 1989 accomplishments and 1990 plans in relation to each of the six corporate goals is given in the synopsis of annex I.

6. Following the strong upward trend in sales volume and profits that commenced in 1985, the 1988 season generated a net operating profit of \$52.4 million. After adjustments for exchange rate fluctuations, this resulted in a net contribution to UNICEF general resources of \$43.2 million, the best results achieved to date. (See also GCO financial report and accounts for the 1988 season (document E/ICEF/1990/AB/L.5).)

7. Based on preliminary reports from National Committees for UNICEF, field offices and other sales partners, indications are that sales volume and profits from all GCO activities in the 1989 season are likely to exceed budget projections as well as previous years' results. Provisional figures for the 1989 season are presented to the 1990 Executive Board in the provisional report for the 1989 season (E/ICEF/1990/AB/L.4).

8. In accordance with the Executive Board's request, accounts for income and expenditures from all three areas of GCO income-generating activities are maintained and presented separately, but are consolidated in table 1.

Consolidated projections for 1990

9. Projections for 1990 income and expenditures are shown in table 1 under the heading "Proposed budget 1990", using three levels of projection: low; medium; and high. The medium projection forms the basis for all other related figures presented in the work plan. The GCO 1990 net operating profit - consolidated, which includes income from products, fund-raising and special fund-raising events, is projected to be \$61.0 million, an increase of \$13.1 million (27 per cent) over the 1989 budget and \$8.6 million (16 per cent) more than the actual for 1988.

10. The 1990 contribution to UNICEF general resources (net profit - consolidated) cannot be accurately estimated at this stage since it will again depend on the adjustments required to determine possible exchange rate gains or losses. GCO profit, income and expenditure information is subject to currency fluctuations in relation to the United States dollar. In the present document (using United Nations rates of exchange for October 1989), a 1 per cent change in the value of the United States dollar affects GCO income by approximately $\pm$ \$500,000 and expenditures by $\pm$ \$65,000.

Table 1. Income statement for 1988, budget for 1989 and proposed budget for 1990

	1988 Actual		1989 Budget		Proposed budget 1990		
	139		135		Low projection	Medium projection	High projection
Card sales volume (millions)	Millions of US dollars	Percentage of gross proceeds	Millions of US dollars	Percentage of gross proceeds	Millions of US dollars	Percentage of gross proceeds	Millions of US dollars
Gross proceeds	98 940	100.0	95.3	100.0	102.0	100.0	117.0
Less: Commissions and direct expenses at field offices	25 116	25.4	23.8	25.0	25.3	24.8	28.6
Net proceeds	73 824	74.6	71.5	75.0	76.7	75.2	88.4
Less: Cost of goods delivered	19 577	19.8	18.8	19.7	20.2	19.8	23.3
Operating costs	12 305	12.4	13.5	14.2	15.0	14.7	15.3
Add: Other income - net	5 541	5.6	4.0	4.2	4.5	4.4	6.0
Net operating profit - GCO products	47 483	48.0	43.2	45.3	46.0	45.1	55.8
Add:							
Net operating profit - fund-raising (table 4)	4 906		4.7		4.2		11.8
Net operating profit - special events and new initiatives (table 5)	-		-		0.6		3.7
Net operating profit - consolidated	52 389		47.9		50.8		71.3
Less: Exchange rate adjustment	9 228		-				
Net profit - consolidated	43 161		47.9				

Total expenditures (included in above statement)

GCO products (table 3) (direct expenses at field offices, cost of goods delivered and operating costs)	34 195	34.6	34.5	36.2	37.1	36.4	39.4	40.6	34.7
Fund raising (table 4) (incl. Operating costs and Research and development) Special events and new initiatives (table 5) (incl. operating costs and research and development)	0.405		1.3		2.3		2.4	2.6	
	-		-		0.7		1.1	1.3	
Total expenditures - consolidated	34 600		35.8		40.1		42.9	44.5	

11. Projected income and expenditures broken down by area of activity are as follows:

(a) Greeting cards and related products. Sales of 150 million cards (table 2) are expected, 15 million more than the 1989 approved budget and 11 million more than the 1988 actual. Gross proceeds are estimated at \$111 million. Total expenditures needed to reach those targets and achieve the net operating profit objective of \$51.4 million are estimated at \$39.4 million;

(b) Private sector fund-raising. The net operating profit from GCO private sector fund-raising activities in 1990 is projected at \$7.7 million, \$3 million above the 1989 budget. This increase is expected from the rapid growth of private sector fund-raising activities among National Committees and field offices co-operating with GCO. Total expenditures are projected at \$2.4 million for 1990, including operating costs of \$1.1 million and research and development costs of \$1.3 million;

(c) Special fund-raising events and new initiatives. In 1989, responsibility for SENI was assigned to GCO. Procedures and structures based on previous Executive Board considerations have been established. Total expenditures are estimated at \$1.1 million, including operating costs of \$700,000 and \$400,000 for research and development. The net operating profit for special fund-raising events and new initiatives is budgeted at \$1.9 million in 1990.

12. Although the above changes in the mandate of GCO will require the establishment of certain new project posts (non-core posts), established posts (core posts) will remain at the 1984 level of 140.

II. GREETING CARDS AND RELATED PRODUCTS

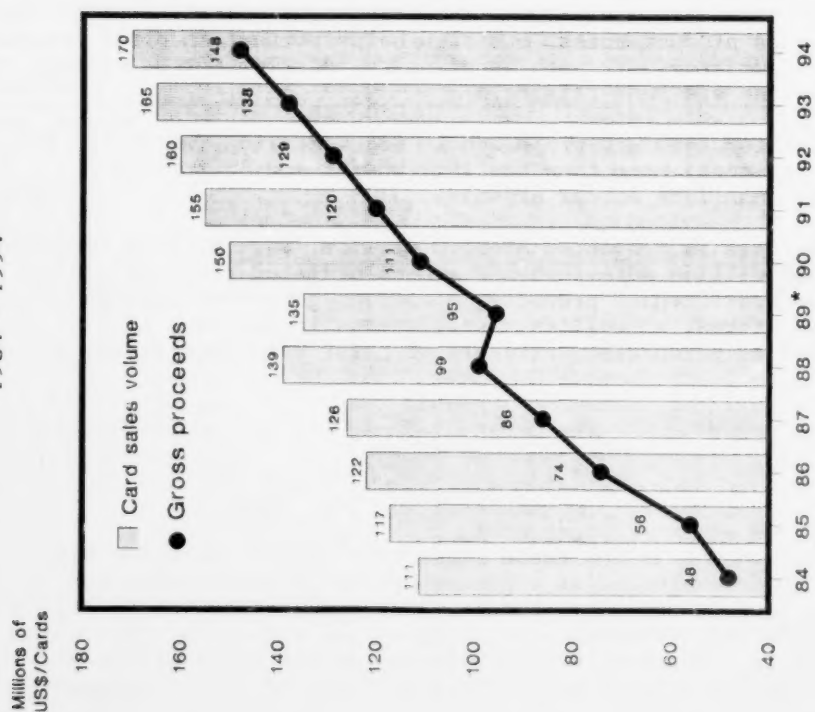
A. Introduction

13. At the close of its fortieth season, GCO had sold a total of 2.3 billion greeting cards since its inception. The GCO collection includes close to 3,000 reproductions of art from 135 countries, and GCO sales to date account for net contributions to UNICEF general resources of \$304.4 million. Some \$250 million of this amount were raised during the last 10 years alone.

14. The year 1990 marks the fifth year of implementation of the 21-point action programme, as contained in document E/ICEF/1986/AB/L.11, that was approved by the Executive Board in 1986. The action programme, as well as an interregional sales development programme (ISDP), which was implemented from 1984 to 1987, resulted in substantial increases in sales volume, gross proceeds and net profits, and helped to provide the necessary infrastructure for future expansion and gains in profitability.

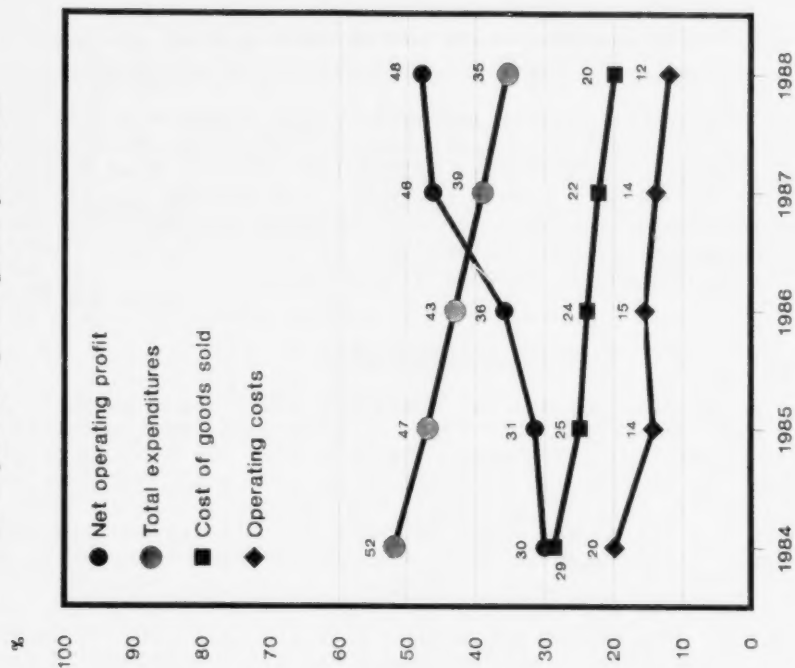
15. The introduction of detailed plans of operation for area and field offices, the implementation of ISDP and the monitoring of performance on a country-by-country basis using performance indicators (see E/ICEF/1987/AB/L.11,

Figure 1:
Trend of card sales/gross proceeds
1984 - 1994



* The figures for 1989 are budget
expected to be considerably higher

Figure 2:
GCO performance 1984 - 1988
as a percentage of gross proceeds



E/ICEF/1988/AB/L.5, E/ICEF/1989/AB/L.5 and E/ICEF/1990/AB/L.5) are measures that have contributed to improving the overall profitability of the operation.

16. Sales partners base their targets and performance objectives on the GCO performance indicators. The National Committees for UNICEF in Europe have increased their contribution to GCO* (see E/ICEF/1990/AB/L.5) from 55 per cent of gross proceeds in 1984 to 62 per cent in 1988. The average contribution of all sales partners world-wide increased from 49 to 60 per cent in the same period. To reach the global goal of 50 per cent net profitability, the per country contribution to GCO should average 67 per cent.

B. Budgeted income levels

17. Sales volume, gross proceeds and net operating profit have shown encouraging growth over the period 1984-1988 and continued improvement is expected (see table 1 and figure 1 above). Sales volume for 1990 is projected at 150 million cards, an increase of 15 million (11 per cent) over the level budgeted for 1989 and 11 million (8 per cent) over actual volume in 1988. Sales forecasts by country and region are shown in table 2. All regions are expected to continue the upward trend begun in 1985, with major gains expected in Europe.

18. Gross proceeds for 1990 are expected to range from a low of \$102 million to a high of \$117 million. The medium projection is \$111.3 million, an increase of \$16.0 million (17 per cent) over the 1989 budget and \$12.4 million (13 per cent) over actual 1988 gross proceeds.

19. Commissions/retentions by National Committees for UNICEF and expenses at field offices will total \$27.4 million. This important working capital not only supports and promotes product sales, but also helps to sustain other important areas of National Committee work such as advocacy, development education, information activities and fund-raising.

20. Total expenses for 1990 are projected at \$39.4 million, which is \$4.9 million (14 per cent) more than the 1989 budget and \$5.2 million (15 per cent) more than 1988 actual expenses.

21. Other income - net is projected at \$5.0 million, \$0.5 million less than in 1988. This is \$1.0 million more than the amount budgeted for 1989 and represents income from licensed products, donations generated through GCO brochures and order forms, as well as miscellaneous income such as bank interest, discounts on purchases, write-off of prior year receivables and prior year adjustments.

* Contribution to GCO is the basic measure of GCO co-operation with sales partners. It is expressed as a percentage of gross proceeds and is the sum of sales proceeds and other income, less commissions, sales office costs, cost of goods delivered and cost of promotion materials. The cost of goods delivered is influenced by the accuracy of the sales partners' forecasting and ordering as well as by the efficiency of GCO procurement.

Table 2. Sales forecast by sales region, 1988-1990
(In thousands of cards)

Country/region	1988 Actual	1989 Estimate *	1990 Forecast		
			Low	Medium	High
Canada	5,825	6,000		6,000	
United States	11,648	11,500		12,000	
Total North America - Region I	17,473	17,500	17,500	18,000	22,800
Argentina	767	800		800	
Brazil	4,677	5,500		5,800	
Chile	249	250		300	
Colombia	962	1,000		1,000	
Ecuador	282	300		350	
Mexico	526	550		600	
Peru	368	370		400	
Uruguay	375	400		400	
Venezuela	125	150		170	
Other countries	702	600		600	
Total Latin America - Region II	9,033	9,920	9,920	10,420	10,620
Bangladesh	71	80		80	
Hong Kong	456	500		600	
Indonesia	404	450		450	
Japan	3,112	3,000		3,200	
Korea, Republic of	245	300		350	
Malaysia	144	180		220	
Philippines	252	300		350	
Singapore	142	180		220	
Sri Lanka	62	70		70	
Thailand	159	220		280	
Other countries	141	130		140	
Total Asia - Region III	5,188	5,410	5,410	5,960	6,160
Australia	2,163	2,200		2,400	
India	6,682	7,200		7,500	
New Zealand	420	500		500	
Pakistan	182	300		350	
Other countries	20	0		0	
Total Pacific, India & Pakistan - Region IV	9,467	10,200	10,200	10,750	10,850
Austria	1,404	1,730		1,470	
Belgium	1,929	2,030		2,552	
Denmark	2,018	2,220		2,101	
Finland	2,986	3,040		3,490	
France	12,847	12,610		14,488	
Germany, Federal Republic of	15,611	16,400		16,913	
Greece	1,903	2,100		2,291	
Italy	5,650	5,400		6,068	
Netherlands	7,189	5,610		7,666	
Norway	2,091	2,240		2,283	
Spain	11,110	10,610		13,529	
Sweden	3,584	3,500		4,612	
Switzerland	4,467	4,640		4,721	
Turkey	2,554	2,340		3,383	
United Kingdom	2,030	2,390		2,570	
Other countries	15,627	13,215		11,052	
Total Europe - Region V	93,000	90,075	90,075	99,189	101,916
Africa & Eastern Mediterranean - Region VI	4,691	4,550	4,550	5,811	6,136
TOTAL ALL REGIONS	138,852	137,655	137,655	150,130	158,482

* Estimated on the basis of sales reports during the 1989/90 campaign. For updated results, see document E/ICEF/1990/AB/L.4.

22. For 1990, net operating profit from GCO products is projected at \$51.4 million (46.2 per cent of gross proceeds), \$8.2 million (19 per cent) more than the budget for 1989 and \$3.9 million (8 per cent) more than 1988 actual.

23. Figure II shows GCO net operating profit from products (1984-1988) compared with expenditures, cost of goods sold and operating costs. All amounts are expressed as percentages of gross proceeds, thus showing the relative improvement in performance in all categories. Over the four-year period, net operating profit has increased, and expenditures have decreased substantially.

C. Analysis of budgeted expenditures

24. Total product expenditures for the 1990 fiscal year are budgeted at \$39.4 million, an increase of \$5.0 million (14.5 per cent) compared with the 1989 budget and \$5.2 million (15.2 per cent) higher than actual 1988 expenditure. As a percentage of gross proceeds, 1990 budgeted expenditures are 35.4 per cent, 0.8 per cent lower than the 1989 budget, but 0.8 per cent higher than actual 1988 expenditures.

25. In general terms, the increases in GCO product expenses are due to the introduction of new products and the expansion of promotional efforts designed to reach new customers and create new and larger markets for GCO products. By increasing these costs appropriately, it is hoped to build momentum for future sales and revenues. Another important investment is in the updating and improvement of electronic data equipment.

26. The following is a line-by-line analysis of expenditures budgeted for 1990 (in thousands of US dollars) as shown in table 3. Explanations are given for all significant increases above and decreases below the 1989 budget.

Direct production costs

27. This category includes direct material and labour costs used in the production of goods for the 1990 season.

	<u>1988</u>	<u>Budget 1989</u>	<u>Budget 1990</u>	<u>Changes 1990 versus 1989</u>	
				\$	¢
Cards	8,699	8,404	9,490	1,086	12.9
Stationery products	1,708	2,047	2,426	379	18.5
Other GCO products	2,342	1,589	2,922	1,333	83.9

28. Cards. The increase of some \$1.1 million (12.9 per cent) is mainly due to substantially higher production volume (161.3 million cards in 1990 compared to 148.5 million cards in 1989), an increase of 12.8 million cards (8.6 per cent) and higher material and labour costs (4.3 per cent).

Table 3. Greeting card and related products

Budgeted expenditures for the fiscal year 1990
compared with budget 1989 and actual 1988

(Thousands of United States dollars)

Expenditures	Actual 1988	Budget 1989	Proposed budget 1990	Changes 1990 versus 1989	
				\$	%
Direct production costs					
Cards	8,699	8,404	9,490	1,086	12.9
Stationery products	1,708	2,047	2,426	379	18.5
Other GCO products	2,342	1,589	2,922	1,333	83.9
Total direct production costs	12,749	12,040	14,838	2,798	23.2
Indirect production costs					
Freight, duties and taxes	2,765	2,547	2,836	289	11.3
Storage	288	232	139	(93)	(40.1)
Indirect labour & benefits	300	274	279	5	1.8
Other maintenance supplies/services	159	110	122	12	10.9
Promotional materials	3,316	3,615	4,334	719	19.9
Total indirect production costs	6,828	6,778	7,710	932	13.8
Semi-fixed costs					
Short-term professional staff *	696	713	972	259	36.3
Short-term general service staff *	1,537	1,693	1,676	(17)	(1.0)
Travel, conference and liaison	781	803	940	137	17.1
Communications	357	392	343	(49)	(12.5)
Office supplies, maintenance and services	484	405	349	(56)	(13.8)
R & D and design samples	369	358	510	152	42.5
Furniture and office equipment	218	376	1,024	648	172.3
Rent and maintenance of equipment	490	467	324	(143)	(30.6)
External audit costs	91	77	77	0	0.0
Special projects	68	658	600	(58)	(8.8)
Others **	730	442	396	(46)	(10.4)
Total semi-fixed costs	5,821	6,384	7,211	827	13.0
Fixed costs					
Established posts ***	5,203	5,344	5,472	128	2.4
Other benefits	1,999	1,976	2,160	184	9.3
Rent	1,391	1,814	1,934	120	6.6
Depreciation	74	0	13	13	100.0
Payments to UNICEF ****	130	105	105	0	0.0
Total fixed costs	8,797	9,239	9,684	445	4.8
Total GCO product expenses	34,195	34,441	39,443	5,002	14.5

* Non-core posts (see Annex II, table 2).

** Order handling, insurance, diplomatic pouch, etc.

*** Core posts (see Annex II, table 1).

**** For common services, e.g. electronic data, information, legal.

29. Stationery products. The change in this category is due to:

(a) The introduction of new products (art diary, planning calendar for children, address/telephone book and accordion file). The production of these products increases costs by \$630,000 (30.8 per cent);

(b) Increased production volume of existing products (post card calendar, children's art wall calendar, stationery, gift wrap, etc.) up by \$134,000 (6.5 per cent);

(c) Reduced production volume of some existing products (desk calendar, blank book and gift tags) down \$385,000 (18.8 per cent).

30. Other GCO products. This category includes educational products (puzzles, children's books, cook books, games, etc.) and special products (mugs, T-shirts, ornaments, dolls, shopping bags, etc.). The change is due to:

(a) The introduction of new products (plates - \$465,000 (29.3 per cent); dolls - \$273,000 (17.2 per cent); T-shirts - \$250,000 (15.7 per cent); children's lunch boxes - \$125,000 (7.9 per cent) and other new products (15 per cent), for an aggregate increase of 85.1 per cent. The importance of new product introductions is both to increase revenues and to broaden the appeal of the product line, thereby attracting new customers;

(b) A decrease in overall production volume (net of increases in existing products such as puzzles, ornaments, ceramic mugs, etc.) of 1.2 per cent.

Indirect production costs

31. This category includes the production of promotional materials, freight, duties and taxes and variable costs of production for material and labour which cannot specifically be attributed to any particular product.

	1988	Budget 1989	Budget 1990	Changes 1990 versus 1989	
				\$	%
Freight/duties and taxes	2,765	2,547	2,836	289	11.3
Storage	288	232	139	(93)	(40.1)
Indirect labour and benefits	300	274	279	5	1.8
Other maintenance supplies/services	159	110	122	12	10.9
Promotional materials	3,316	3,615	4,334	719	19.9

32. Freight, duties and taxes. This increase is mainly the result of higher freight costs from increased volume and shipping costs.

33. Storage. The decrease in storage is attributable to a management decision to consolidate warehousing facilities in the New York area and to a much improved cost control system.

34. Indirect labour and benefits. The increase in this category is the result of higher rates for contracted labour.

35. Other maintenance supplies/services. This increase is mainly the result of a price adjustment of utilities, i.e., electricity, water and outside maintenance/services at the New York plant.

36. Promotional materials. The increase in promotional costs is required to expand GCO outreach to a broader public and to build the foundation for future growth. It is mainly due to:

(a) Advertising campaigns that include proposals for television/radio, and on-location production of television/cinema spots - \$225,000 (6.2 per cent);

(b) The establishment of new UNICEF stores/centres and renovation of existing centres - \$150,000 (4.1 per cent);

(c) A provision for research of tie-in programmes i.e., hyper markets, consumer products and business campaigns - \$175,000 (4.8 per cent);

(d) Increased volume of promotional materials for existing products - \$169,000 (4.7 per cent).

Semi-fixed costs

37. This category comprises all other variable costs not directly related to production.

	1988	Budget 1989	Budget 1990	Changes 1990 versus 1989	
				\$	%
Short-term Professional staff	696	713	972	259	36.3
Short-term General Service staff	1,537	1,693	1,676	(17)	(1.0)
Travel, conference and liaison	781	803	940	137	17.1
Communications	357	392	343	(49)	(12.5)
Office suppl., maint. and services	484	405	349	(56)	(13.8)
R & D and design samples	369	358	510	152	42.5
Furniture and office equipment	218	376	1,024	648	172.3
Rent and maintenance of equipment	490	467	324	(143)	(30.6)
Special projects	68	658	600	(58)	(8.8)

38. Short-term Professional staff. The proposed increase of \$259,000 is to cover the costs of:

(a) A manager (L-4) for the Design Unit in New York. This post is required to further improve the quality and efficiency of design and promotion work at the New York office and to handle the increased work-load from new responsibilities, exhibits and promotional materials;

(b) Two assistant product officers (L-2) in New York and Geneva to handle diversification and increased production of new and existing products;

(c) Statutory cost-of-living increases (5 per cent).

39. Short-term General Service staff. A net decrease in New York area staff costs of \$107,000 (6.3 per cent) is mainly due to the transfer of the responsibilities of the GCO office in Tokyo to the Japan National Committee, and is partly offset by a net increase in Geneva of \$90,000 (5.3 per cent).

40. Travel, conference and liaison. This increase is due to a marketing workshop planned for the Africa region (a first) and increased travel to support the development of new markets and higher sales volume.

41. Communications. The reduction in costs can be attributed to the various cost control measures implemented while maintaining an improved communication system.

42. Office supplies, maintenance and services. The decrease in this category is a result of a provision made in 1989 for non-recurrent costs in connection with the move to a new office location in New York.

43. Research and development and design samples. The variance is due to an increase in the production costs for design samples (16.7 per cent) and for market research studies in countries with substantial potential for future sales growth (25.8 per cent).

44. Furniture and office equipment. The increase in this category is due mainly to a provision made for the proposed acquisition of new computer equipment and hardware \$600,000 (\$300,000 for Geneva, \$200,000 for New York and \$100,000 for field offices). The central processing units in New York and Geneva have reached full capacity and need to be replaced at a cost of \$300,000. This new equipment, which will be amortized over its estimated useful life, would improve the inventory and financial reporting systems, order, distribution and shipping, office automation and telecommunications.

45. Rent and maintenance of equipment. The decrease is due to lower maintenance costs as a result of the upgrading of computer equipment in New York and Geneva as listed above. The transfer of market responsibilities from GCO to the Japan National Committee provides a further reduction in costs of \$72,000 in this category.

46. Special projects. This category supports special sales development programmes for Regions I, II, III and IV. The decrease reflects a gradual reduction in the need for special programmes in a major market as the positive results of earlier programmes are felt.

Fixed costs

47. This category includes the cost of established posts (core posts), related staff benefits, rent, depreciation and payments to UNICEF. Depreciation and payments to UNICEF are not changing significantly in 1990.

	1988	Budget 1989	Budget 1990	Changes 1990 versus 1989	
				\$	%
Established posts	5,203	5,344	5,472	128	2.4
Other benefits	1,999	1,976	2,160	184	9.3
Rent	1,391	1,814	1,934	120	6.6

48. Established posts and other benefits. Since 1984, the total of established posts in GCO has been maintained at 140. The increase in expenditure is due to statutory cost-of-living increases. One Professional and one General Service post have been transferred to the private sector fund-raising section (see para. 56 below).

49. Rent. The increase in rent costs for 1990 is mainly the result of higher rent for the Geneva office (\$200,000), which is partly offset by savings in the New York area office. A 14-year lease extension has been negotiated at the New York premises of GCO on Manhattan's thirty-eighth street. As advised in the 1989 Work Plan, (E/ICEF/1989/AB/L.6, para. 66), the rent for the New York office premises increased in 1989, as a result of a letter of agreement pending lease re-negotiation. The new lease stipulates a rent of \$644,000 for 1990, \$881,594 per year for the period 1991-93, \$1,052,394 per year for 1994-1998, and \$1,223,194 for 1999-2003. The lease also specifies that the landlord will contribute \$1,000,000 towards construction and improvements, and provide a six-month rent concession during GCO's fiscal year 1990.

III. PRIVATE SECTOR FUND-RAISING

A. Introduction

50. During 1989, the role of GCO in private sector fund-raising was expanded from supporting direct mail and commercial media appeals to providing support services to National Committees and field offices in all areas of private sector fund-raising, including direct appeals and mass appeals (see also para. 90 below). A synopsis of 1989 accomplishments and 1990 plans is given in annex I, corporate goal no.4.

B. 1988 income

51. Net proceeds from GCO private sector fund-raising activities in 1988-1989 totalled \$5.3 million (see table 4). After deduction of costs, the net operating profit was \$4.9 million, \$3.6 million more than in 1987-1988.

52. The majority of the net proceeds generated in the area of private sector fund-raising came from two international direct mail appeals. These were:

(a) The UNICEF "Review of the Year", which provides supporters with an account of UNICEF activities, income and expenditures in the previous year and makes an appeal for renewed donations. In 1988, over 1 million copies were distributed by National Committees and field offices to households in Australia, Belgium, Denmark, France, the Federal Republic of Germany, Hong Kong, Italy, Japan, Mexico, New Zealand, the Netherlands, Norway, Spain, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America. This campaign brought in over \$2 million in net proceeds in 1988 and is expected to generate a similar amount in 1989;

(b) The pocket diary premium campaign is used both to attract new supporters and donors to UNICEF and to generate contributions from regular donors. The UNICEF pocket diary contains information on a UNICEF "theme" such as health, education, nutrition, etc., and an appeal letter for a donation. This campaign was jointly implemented with National Committees in France, Italy and the United Kingdom.

Table 4. Private sector fund-raising (PSF)**Income statement for 1988, 1989 budget and proposed budget 1990**

(Thousands of United States dollars)

	Actual 1988	Budget 1989	Proposed budget 1990			
			Low projection	Medium projection	%	High projection
Net proceeds						
Direct appeal campaigns for:						
- In-house donors	5,312	5,200	5,600	8,550	84	12,100
- New donor acquisition		500	800	1,300	13	1,800
Mass appeal campaigns		300	150	300	3	450
Total net proceeds	5,312	6,000	6,550	10,150	100	14,350
Operating costs						
Established posts *	62		130	139		150
Short-term Professional staff **	102	350	370	420		450
Short-term General Service staff **	35	100	186	211		236
Travel, conference and liaison	10	40	120	142		160
Support services and materials	40	100	85	114		145
Rent, equipment, supplies and freight	16	30	87	99		111
Production costs and overhead	141	0	0	0		0
Total operating costs	406	620	978	1,125	11	1,252
Net operating income	4,906	5,380	5,572	9,025	89	13,098
Research and development						
Public attitude surveys		380	300	300		300
Fund-raising test campaigns		200	200	200		200
Development of new methods		0	730	730		730
Analysis, compilation, etc.		100	100	100		100
Total research and development		680	1,330	1,330	13	1,330
Net operating profit - fund-raising	4,906	4,700	4,242	7,695	76	11,768

* Core posts.

** Non-core posts.

C. 1990 budgeted income levels

53. In order to achieve private sector fund-raising objectives, GCO has established a specific plan of action for the period 1990-1991 (see annex I, corporate goal No. 4).

54. Net proceeds are projected at \$10.2 million, \$4.2 million more than the 1989 budget and \$4.9 million more than 1988 actual proceeds. The increase is expected from the rapid growth of private sector fund-raising activities among National Committees and field offices co-operating with GCO. This is expected to yield a net operating income of \$9.0 million after operating costs are deducted, and a net operating profit of \$7.7 million after the deduction of research and development costs. Methods to be applied are:

(a) Direct appeals such as direct mail, telephone solicitation, pledge giving, payroll deductions, legacies and bequests, general resources project submissions and "affinity" credit cards;

(b) Mass appeals such as print and broadcast public service announcements, telethons and radiothons, "Change for Good" airline collections, auctions, door-to-door collections and corporate sponsorship.

D. Analysis of budgeted expenditures

55. In 1990, GCO plans to spend \$1.1 million for private sector fund-raising and to invest \$1.3 million for research and development of fund-raising capacities of National Committees and field offices to build a basis for future expansion.

Operating costs

	<u>1988</u>	<u>Budget 1989</u>	<u>Budget 1990</u>	<u>Changes 1990 versus 1989</u>	
				<u>\$</u>	<u>%</u>
Established posts	62	-	139	139	100
Short-term Professional staff	102	350	420	70	20
Short-term General Service staff	35	100	211	111	111
Travel, conference and liaison	10	40	142	102	255
Support services and materials	40	100	114	14	14
Rent, equipment, supplies and freight	16	30	99	69	230
Production costs and overhead	141	0	0	0	0

56. Established posts. The increase is the result of two posts (one P-4 and one GS-6) being transferred from other sections to the private sector fund-raising section in Geneva in order to support fund-raising activities of National Committees in Europe.

57. Short-term Professional staff. An increase of \$70,000 is due to statutory cost-of-living adjustments and the creation of an additional project post in the Geneva area office.

58. Short-term General Service staff. Additional support staff are needed as the volume of materials and services provided to GCO partners in private sector fund-raising increases.

59. Travel, conference and liaison. An increase of \$102,000 is anticipated as National Committees and field offices broaden their private sector fund-raising activities and GCO provides greater support services and knowledge sharing through workshops, seminars and one-on-one consultations.

60. Support services and materials. Linked to the increase in knowledge sharing through workshops, etc., is the need to provide a higher quality and quantity of documentation, promotional materials and data on UNICEF themes and projects for use by partners in their fund-raising activities. An increase of \$14,000 is foreseen.

61. Rent, equipment, supplies and freight. As the posts approved in 1989 are filled, higher costs are expected in office rent, equipment and supplies. Freight costs for fund-raising materials will also increase as more material is shipped. An increase of \$69,000 is anticipated.

Research and development

	1988	Budget 1989	Budget 1990	Changes 1990 versus 1989	
				\$	%
Public attitude surveys	-	380	300	-80	-21
Fund-raising test campaigns	-	200	200	0	0
Development of new methods	-	0	730	730	100
Analysis, compilation, etc.	-	100	100	0	0

62. In order to assist National Committees and field offices in assessing the potential for expanding private sector fund-raising, GCO proposes that an amount of \$1.3 million be authorized for public attitude surveys, fund-raising test campaigns and the development of new methods in private sector fund-raising. The results of these studies will make it possible for National Committees and field offices to plan for the expansion of their private sector fund-raising activities and to identify the type and quantity of support services that they will need GCO to provide as part of its co-operation.

63. Public attitude surveys. Many National Committees and field offices have so far done very little private sector fund-raising beyond the selling of greeting cards and related products. These partners, therefore, wish to survey the attitudes of their publics in order to determine the potential for fund-raising success and to establish long-term fund-raising goals and strategies. GCO proposes \$300,000 to cover these actions.

64. Fund-raising test campaigns. An amount of \$200,000 is foreseen to test new fund-raising packages and channels in countries where fund-raising is well established, but where the potential for obtaining significantly greater support is apparent.

65. Development of new methods. New methods of fund-raising that can yield substantial income, but that may not have been attempted by National Committees and field offices, such as payroll deduction and legacies and bequests, often

require a major investment of funds before they can yield results. GCO proposes an amount of \$730,000 to help partners assess, test and begin implementation of new methods such as these.

66. Analysis, compilation, etc. The work of analysing and compiling statistics gained from the above-mentioned surveys and tests requires costly professional expertise, computer processing and statistical analysis. An amount of \$100,000 is proposed.

IV. SPECIAL FUND-RAISING EVENTS AND NEW INITIATIVES

A. Introduction

67. In 1989, the Executive Director assigned the handling of special fund-raising events to GCO. This is consistent with the 1989 Board-approved mandate that GCO provide support services in private sector fund-raising to National Committees and field offices.

68. After careful review of the Executive Board's previous consideration of special fund-raising events, the GCO Committee approved a set of policies which endeavour to address the concerns raised by the Executive Board at its 1988 session.

69. The term "special fund-raising event" refers to any public participation or entertainment event held to advance UNICEF fund-raising and advocacy goals. Special fund-raising events are further classified accordingly:

(a) "International events" - special fund-raising events involving several countries, and negotiated or managed from headquarters;

(b) "Global events" - international events on the largest scale, in which most countries are expected to participate. These events will be subject to Executive Board approval. National Committee and field office participation in global events would generally be obtained through a request by the Executive Director;

(c) "Transnational events" - special fund-raising events managed or staged jointly by more than one National Committee or field office. Each National Committee or field office would participate in such an event on its own initiative;

(d) "National" or "local events" - those planned and implemented within one country by a National Committee or field office.

B. 1990 objectives

70. A small specialized unit has been created in GCO to deal with special fund-raising events and new initiatives, under the following guidelines:

(a) National and local events require minimal involvement by SENI unless a National Committee or field office asks for support. SENI will work to facilitate the transfer of ideas and expertise and will co-operate with National Committees and field offices in the replication of successful special fund-raising events;

Table 5. Special fund-raising events and new initiatives (SENI)

Proposed budget for 1990

(Thousands of United States dollars)

	Actual 1988 *	Budget 1989 *	Proposed budget 1990		
			Low projection	Medium projection	High projection
Total net proceeds			1,250	3,000	5,000
<u>Operating costs</u>					
Short-term Professional staff **			400	450	450
Short-term General Service staff **			70	100	150
Training and liaison			19	40	50
Communications			6	32	45
Equipment and rent			51	65	78
Miscellaneous supplies			4	6	8
Total operating costs			550	693	781
Net operating income			700	2,307	4,219
<u>Research and development costs</u>					
Survey and testing			50	150	200
Project development			75	250	300
Total research and development costs			125	400	500
Net operating profit - special events and new initiatives			575	1,907	3,719

* Mandate effective 1 January 1990.

** Non-core posts.

(b) SENI will provide international co-ordination and technical resources to transnational events;

(c) International events will be developed by SENI under strict policy criteria, which guarantee that UNICEF participates only in a limited number of carefully selected top-class international events with realistic net income expectations and sponsorship potential. Promoters and referrals will be checked with regard to competence, financial responsibility and reputation. Special event proposals will be reviewed for advocacy benefits and tie-ins with other UNICEF plans. Special attention will be given to avoiding negative interferences with UNICEF country programmes;

(d) Global events require prior Board approval, as outlined in document E/ICEF/1988/L.8/R.1 and resolution 1988/9 (E/ICEF/1988/13) which contain Board policies and discussions on global and special fund-raising events. Ongoing co-operation with the Division of Public Affairs, and a revival of the Headquarters Advisory Committee (henceforth called the Special Fund-raising Events Headquarters Advisory Committee), will help ensure a careful review of proposals;

(e) In close co-operation with National Committees and field offices, SENI will develop new fund-raising initiatives in addition to those currently carried out in the private sector.

71. Guided by those policies, SENI objectives for 1990 are to:

(a) Review special fund-raising events and new initiatives organized by National Committees and field offices and to facilitate replication of those that were successful;

(b) Provide consistent and competent review of incoming proposals for special fund-raising events and new initiatives;

(c) Plan carefully and develop one or two profitable international events with the assistance of external technical advisors, National Committees and field offices;

(d) Develop a handbook on special fund-raising events for National Committees and field offices;

(e) Provide support, as required, for transnational events;

(f) Formulate proposals for new initiatives in private sector fund-raising in accordance with the medium-term plan.

C. Budgeted income level

72. Total net proceeds for 1990 are projected at \$3 million (medium projection, see table 5). Most of this income is expected from an international telethon in Europe and a radiothon in the United States that will be held in the autumn of 1990. After the deduction of operating costs and research and development costs, the net operating profit for the first year is budgeted at \$1.9 million.

D. Analysis of budgeted expenditures

73. In 1990, GCO proposes to spend \$693,000 on operating costs for special fund-raising events and new initiatives and \$400,000 for research and development of these activities. Details are shown below.

Operating costs

74. Short-term Professional staff. Six Professional project posts (non-core posts) are proposed at a cost of \$450,000 in 1990. The new posts are to provide support, policy guidance and technical expertise to National Committees and field offices in the planning and organization of special fund-raising events. In addition, they will provide back-up for new fund-raising initiatives and their test marketing.

75. Short-term General Service staff. Three General Service posts are to provide administrative and secretarial support to the six Professional staff members (\$100,000).

76. Training and liaison. Since the success or failure of special fund-raising events depends on good planning and organization, GCO will provide workshops, seminars and one-on-one consultations to National Committees and field offices interested in special fund-raising events. An amount of \$40,000 is foreseen for travel, materials and services to provide support in these crucial areas of knowledge sharing and joint planning.

77. Communications. The sometimes unforeseen developments that are inherent in special fund-raising events require clear and immediate communications between SENI and its partners. An amount of \$32,000 is budgeted to meet this need and to assist SENI in implementing its action plan with regard to event organizers.

78. Equipment and rent. An amount of \$65,000 is foreseen for office equipment and rent for SENI staff.

79. Miscellaneous supplies. This includes office supplies, messenger services and sundries (\$6,000).

Research and development

80. Surveys and testing. The need to explore and assess new and additional avenues for the creation of special fund-raising events will require that a number of surveys and evaluations be conducted. The results of this research will also make it possible to improve on the effectiveness and success of future special fund-raising events and initiatives and to identify support services that SENI can provide as part of its co-operation with National Committees and field offices (\$150,000).

81. Project development. An amount of \$250,000 is budgeted to develop existing special fund-raising events and new initiatives so that they can be expanded to new markets and audiences.

E. SENI special operating account

82. At the 1988 session of the Executive Board, the wish was expressed that commercial funds would be used to sponsor fund-raising events, and doubts concerning the establishment of a revolving fund were voiced. The willingness to consider the approval of a revolving fund was also expressed. Delegations' concerns would appear to focus on accountability and an interest in seeing that UNICEF funds would not be diverted away from programmes to the staging of special fund-raising events.

83. Experience with special fund-raising events shows, however, that in the early stages of fund-raising events, UNICEF often needs to advance funds against later receipts. Given the minimum net anticipated revenue of \$1 million under the proposed policies, and the requirements of organized and rigorous scrutiny, it is proposed that a SENI special operating account be established in the GCO books with a limit of \$1 million. This account would be used only when anticipated event revenues, which will cover expenses, have not yet been received in time to cover initial expenses, and are subject to an approved budget realistically demonstrating that when total event revenues are received, they will be sufficient to reimburse the special operating account. At the conclusion of an event, any funds advanced from the special operating account would be repaid. Access to this account will be governed by rules developed in co-operation with the Division of Financial Management and in accordance with the UNICEF Financial Regulations and Rules Special Supplement - Greeting Card Operation (E/ICEF/FINANCIAL RULES/1/Add.1). Funding of the special operating account will come from event profits.

V. MEDIUM-TERM PLAN, 1988-1994

84. The expanded mandate entrusted to GCO in 1989 has four distinct areas of action:

- (a) UNICEF product sales and licensing;
- (b) Private sector fund-raising;
- (c) Exhibits and promotion;
- (d) Special fund-raising events and new initiatives.

85. All four areas are geared towards involving the general public in UNICEF work and encouraging their participation in volunteering, purchasing and donations.

86. Survey and research work conducted in 1989 and planned in 1990 will provide the basis for detailed projections of future outreach, income and profits.

87. The medium-term plan for the period 1988-1994, depicted in table 6 below, covers only UNICEF product sales and licensing. It is based on the prior year's trends and on proven strategies developed within the framework of the six corporate goals of GCO (see para. 3 above, and annex I).

Product sales and licensing

88. From 1990 to 1994, in the area of product sales and licensing, GCO and its sales partners plan to:

Table 6. GCO Medium-term plan, 1988-1994

	1988 Actual	1989 Budget	1990 Medium projection	1991	1992 Medium-term plan projections	1993	1994
Card sales volume (millions)	139	135	150	155	160	165	170
	Millions of US dollars	Percentage of gross proceeds of US dollars	Millions of US dollars	Percentage of gross proceeds of US dollars	Percentage of gross proceeds of US dollars	Percentage of gross proceeds of US dollars	Percentage of gross proceeds of US dollars
Gross proceeds	98 940	100.0	111.3	119.7	128.7	137.8	147.8
Less: Commissions and direct expenses at field offices	25 116	25.4	27.4	29.4	31.2	33.3	35.8
Net proceeds	73 824	74.6	83.9	90.3	97.5	104.5	112.0
Less: Cost of goods delivered	19 577	19.8	22.5	23.5	24.3	26.1	27.8
Operating costs	12 305	12.4	15.0	15.4	15.9	16.6	17.5
Add: Other income - net	5 541	5.6	5.0	6.0	7.0	7.5	8.0
Net operating profit - GCO products	47 483	48.0	51.4	57.4	64.3	69.3	74.7
Add:							
Net operating profit - fund-raising (table 4)	4 807	4.7	7.7				
Net operating profit - special events and new initiatives (table 5)	-	-	1.9				
Net operating profit - consolidated	52 390	47.9	61.0				
Less: Exchange rate adjustment	9 228	-					
Net profit - consolidated	43 162	47.9					

TOTAL EXPENDITURES (Included in above statement)						
GCO products	31 195	34.6	34.5	36.2	39.4	35.4
(Field office expenses, cost of goods delivered and operating costs)						
Fund-raising (table 4)	0.405		1.3		2.4	
Special events & new initiatives (table 5)	-		-		1.1	
Total expenditures - consolidated	34 600	35.8			42.9	

(a) Increase the volume of cards sold from 150 million to 170 million, thus gradually expanding UNICEF outreach to the public;

(b) Increase gross proceeds from product sales to \$147.8 million (from \$111.3 million in 1990);

(c) Control costs and reduce expenditures* proportionately from 54 per cent to 50 per cent of gross proceeds;

(d) Increase the net operating profit - products from \$51.4 million to \$74.7 million;

(e) Achieve the 50 per cent profitability objective established by the Executive Board by 1992.

89. These plans are based on:

(a) The six corporate goals;

(b) The six sales regions;

(c) Increasing income from licensing agreements;

(d) Developing additional sales networks;

(e) Maximizing product quality and improving performance;

(f) Joint planning with all sales partners in all countries on the basis of the eight performance indicators;

(g) Refining production methods and product composition;

(h) Fully implementing GCO marketing orientation as well as cost and performance control.

Private sector fund-raising

90. In the area of private sector fund-raising, GCO will, during 1990, establish joint plans with its partners, based on the country strategy approach and on the recommendations of the 1989 fund-raising workshop. This will form the basis for a medium-term plan for private sector fund-raising and includes:

(a) Establishing a special five-year "challenge" campaign to raise \$100 million for immunization, in co-ordination with other UNICEF external relations divisions, and National Committees and field offices involved in private sector fund-raising;

(b) Developing an ongoing process of research and assessment of private sector fund-raising potential and conditions in each of the participating countries;

*Includes all costs, i.e., retention, commissions, field office expenses, cost of goods delivered and operating costs, less other income - net.

(c) Implementing a system of joint planning and reporting with National Committees and field offices to co-ordinate support services needed to increase the effectiveness of UNICEF outreach and achieve increased moral and material support for the world's children;

(d) Providing to UNICEF partners materials and documentation oriented towards UNICEF strategies for the 1990s in order to strengthen private sector fund-raising and advocacy;

(e) Providing materials, concepts and methods in direct and mass appeals that can be adapted by National Committees and field offices to their particular situations and needs;

(f) Developing channels for the exchange of ideas, concepts and training in fund-raising methods and themes through a series of workshops, seminars, consultations and networking.

91. It is premature to include detailed financial projections for these activities beyond 1990 as they are currently in the process of being established. Income and expenditure will, however, be recorded by GCO in separate accounts in accordance with Executive Board requests. The net income for 1990 is estimated at \$7.7 million (see table 4 for details).

Special fund-raising events and new initiatives

92. In the area of special fund-raising events and new initiatives, GCO will establish structures and procedures for co-ordination and implementation. The year 1990 will be the first year of GCO responsibility in this area and will form the basis for future activities. These include:

(a) Review, assessment and internal development of event opportunities that are brought to the organization, with emphasis on financial viability and effective advocacy;

(b) Management and implementation of events with appropriate professional controls, while ensuring that income and advocacy reach established standards;

(c) Consultation and co-ordination with National Committees, field offices and UNICEF external relations divisions, with a view to developing new and existing events and initiatives that can be duplicated in several countries;

(d) Establishment of long-term relationships with external partners, such as well-known performing artists and corporate sponsors, to underwrite events.

93. It is expected that the structures, procedures and contacts developed in 1990 will lead to a steadily increasing number of events that produce substantial income and exhibit strong advocacy potential on behalf of UNICEF and the well-being of the world's children.

94. It is premature to include detailed financial projections for special fund-raising events and new initiatives beyond 1990 as they are currently in the process of being built up. However, income and expenditure will be recorded by GCO in separate accounts in accordance with the requests of the Executive Board. The net income for 1990 is estimated at \$1.9 million (see table 5 for details).

VI. DRAFT RESOLUTIONS

95. The draft resolutions of the Committee on Administration and Finance relating to the GCO budget for the 1990/91 fiscal year are presented below.

A. Greeting card and related operations (GCO) budgeted expenditures for the 1990 season

The Committee on Administration and Finance

Recommends to the Executive Board that:

- (a) For the fiscal year 1 May 1990 to 30 April 1991, budgeted expenditures be approved as detailed in tables 3, 4 and 5, and summarized in column II of table 7;
- (b) The Executive Director be authorized:
 - (i) To incur expenditures as summarized in column II of table 7 and to increase the expenditures up to the level indicated in column III of table 7, should the apparent demand before and during the season necessitate; accordingly, to reduce expenditures below the level indicated in column II to the extent necessary, should the demand decrease;
 - (ii) To transfer funds between allotment accounts if necessary within the limits shown in table 7;
 - (iii) To spend an additional amount between Board sessions when necessary, owing to currency fluctuations, to ensure the continued operation of GCO.

B. Budgeted income for the 1990 season

The Committee on Administration and Finance

Recommends that the Executive Board note that for the fiscal year 1 May 1990 to 30 April 1991, gross GCO income is budgeted as shown in column II of table 7.

C. GCO special operating account for special fund-raising events

The Committee on Administration and Finance

Recommends that the Executive Board approve the creation of a special operating account with a limit of \$1 million from event revenues in the accounts of the Greeting Card Operation. This account is to be:

(a) Governed by rules developed in co-operation with the Division of Financial Management in accordance with the UNICEF Financial Regulations and Rules Special Supplement - Greeting Card Operation (E/ICEF/FINANCIAL RULES/1/Add.1);

(b) Used only when anticipated event revenues have not been received in time to cover initial expenses, and subject to an approved budget realistically demonstrating that total event revenues will be sufficient to repay the special operating account.

**Table 7. Range of budgeted expenditures
and income for the 1990 season**
(Fiscal year 1 May 1990 to 30 April 1991)

	I	II	III
	Low projection	Medium projection	High projection
Card sales volume (millions)	138	150	158
Budgeted expenditures	(millions of United States dollars)		
Greeting card and related products (table 3)			
Direct production costs	12.8	14.8	15.6
Indirect production costs	7.4	7.7	7.9
Semi-fixed costs	7.2	7.2	7.4
Fixed costs	9.7	9.7	9.7
Subtotal, Greeting card and related products *	37.1	39.4	40.6
Private sector fund-raising (table 4)			
Operating costs	1.0	1.1	1.3
Research and development	1.3	1.3	1.3
Subtotal, Private sector fund-raising	2.3	2.4	2.6
Special fund-raising events and new initiatives (table 5)			
Operating costs	0.6	0.7	0.8
Research and development	0.1	0.4	0.5
Subtotal, Special fund-raising events and new initiatives	0.7	1.1	1.3
Total expenditures – consolidated (table 1)	40.1	42.9	44.5
Budgeted income			
Gross proceeds from greeting card and related product sales (table 1)	102.0	111.3	117.0
Deduct: Commissions paid to sales partners	23.4	25.5	26.6
Net proceeds	78.6	85.8	90.4
Add: Other income – net (table 1)	4.5	5.0	6.0
Net proceeds – Greeting card and related products (table 1)	83.1	90.8	96.4
– Private sector fund-raising (table 4)	6.6	10.1	14.4
– SENI (table 5)	1.3	3.0	5.0
Total net proceeds	91.0	103.9	115.8

Annex I

SYNOPSIS OF 1989 ACCOMPLISHMENTS AND THE 1990 ACTION PLAN

1. In order to implement the GCO mandate, the GCO management, in 1985, established six corporate goals (see paragraph 3 of the main document). The following is a synopsis of accomplishments during 1989 and planned activities for 1990, arranged according to the six goals.

Corporate goal No. 1: reach a 50 per cent net profit on sales proceeds

2. The Executive Board has established the achievement of 50 per cent profitability on the sale of UNICEF products as the primary goal of GCO. This will ensure the highest possible levels of income and efficiency and maintain maximum credibility with UNICEF supporters. Profitability rose steadily after 1984, and reached a level of 48 per cent (net operating profit - products) in 1988. Shown below are the steps taken in 1989 and the actions planned for 1990 that will lead to the achievement of the 50 per cent goal by 1992.

1989 accomplishments	1990 action plan
(a) The eight performance indicators devised to measure the joint co-operation of GCO and its sales partners on a country-by-country basis were again used in the financial report (E/ICEF/1990/AB/L.5) and as a basis for future planning.	(a) The evaluation of country-specific results will again be monitored using the eight performance indicators. In order to bring GCO to 50 per cent profitability, operating costs and the costs of goods delivered will have to be kept below 14 per cent and 20 per cent, respectively, of gross proceeds.
(b) Based on preliminary sales reports, indications are that the sales volume of 139 million achieved in 1988, as well as gross proceeds, will be surpassed in 1989. The substantial growth in volume experienced by National Committees in European markets in 1988 has not only been maintained, but increased through both an expanded sales base and higher volume.	(b) Major sales efforts based on country-specific marketing plans are expected to achieve sales of 150 million cards and gross proceeds of \$111.3 million.
(c) The number of established posts (core posts) was maintained at the 1984 level.	(c) The number of established posts will be maintained at the 1984 level.
(d) The policy of maintaining GCO field office costs at or below 25 per cent was successfully applied.	(d) The policy of keeping GCO field office costs at or below 25 per cent will be continued.
(e) Special national campaigns in all GCO regions have helped to increase sales volume and proceeds considerably in 1989. However, the United States Committee for UNICEF achieved only a moderate initial increase from a GCO-supported	(e) On the basis of the results and experiences of the joint sales expansion plan initiated in 1989 with the United States Committee, a clearly focused action plan has been developed for 1990 to maintain the momentum of five years' results and to reach out to new

expansion plan involving 11 new sales promoters in high potential sales areas. The plan showing slow returns in the first year proved to be correctly targeted and, sustained in 1990, can help to build a solid distribution base and yield the expected results in future years. A close study of the market potential, the distribution structure and the cost efficiency of the United States Committee operation was agreed upon. Expenditure increases in the traditional support structure might prevent the United States Committee for UNICEF from reducing the retention rate to 25 per cent of sale proceeds.

In Latin America, progress has been achieved in Brazil, resulting in an expansion of the distribution system and increased sales.

support areas to increase sales by 2.5 million cards and income by \$1.7 million. As a result of a special feasibility study, GCO will support an additional partnership programme to explore consignment sales through nation-wide distribution networks in the service area.

In Brazil, a sales development plan was drawn up in 1989 to counteract two years' sales decline with a view to increasing sales by at least 1 million cards. In 1990, the second phase of this plan will be implemented for a further increase of 500,000 cards through further expansion of the consignee programme, the establishment of additional stands in shopping centres and an expansion of GCO Brazil's direct mail programme.

In Chile, a sales expansion plan will be drawn up and implemented with an emphasis on expanding consignee sales and strengthening the corporate sales programme.

In Mexico, an expansion of the direct mail programme and a sales increase of higher-priced products are planned.

- (f) Implementation of the GCO pricing policy was closely monitored by country and region. Price increases of 5 per cent above local inflation rates were implemented in the majority of GCO markets. The mechanism to adjust prices in order to offset inflation/devaluation was rigorously applied.
- (g) The shift to computerized forecasting achieved in 1987 continued to reduce the production/sales ratio in 1989. The computerization of stock and cash accounting at major field offices was implemented during the period.
- (h) The use of deferred markets (markets selling some designs of previous years' stock) was continued.
- (i) The product offering was expanded in 1988. The new line of art replicas from museums of international distinction, which was successfully tested in the United States, could not be implemented there for tax reasons. The programme is being tested in Canada.
- (j) A major 10-year licensing programme
- (f) Price increases will be implemented in some markets, product quality improved and, especially in high-inflation countries, prices adjusted periodically during the campaign period.
- (g) Computerized stock and cash accounting at major field offices is expected to be operational in 1990. The forecasting system will be further refined in North America by special reporting for the early period of each campaign.
- (h) This policy will be continued.
- (i) The expansion of the product mix will continue by adding new cards and other products. A 5:1 ratio between the two types of products will be sought while increasing overall sales. The sale of museum replicas will be pursued.
- (j) Profits and visibility for UNICEF will be

(United Nations stamp and UNICEF first day covers), which began in 1980 ended in 1989.

The royalty agreement with an international renowned Japanese company was extended for an additional year.

Two licensing programmes planned for 1989 for the intended sale of medallions did not materialize.

Agreements with publishers have allowed the expansion of the UNICEF product mix for children.

- (k) The four procurement centres (New York, Rio de Janeiro, Singapore and Geneva) were fully operational in 1989 and served their respective markets: North America; Latin America; Asia/Pacific countries; Europe; and the Middle East/Africa. The Rio de Janeiro and Singapore centres were computerized.

In the New York area office, the production and warehousing facilities have been consolidated in Secaucus, New Jersey, for the North American market, resulting in some savings and improved efficiency.

The global co-ordination of product procurement has been introduced and the computerized systems established. All regions follow the same product quality standards.

- (l) Efforts to reduce duties and taxes imposed by some countries on GCO products have not yet been successful.
- (m) Detailed expense approval measures have been implemented. Rigorous cost controls helped to improve the ratio of expenditures to proceeds.

increased through license agreements for the sale of carefully selected, high-quality products, mainly books, collectibles and products for children. The plan is to expand systematically in this area to secure an increase from licensed products until they represent 7 per cent of overall gross proceeds.

- (k) Global co-ordination of product procurement will be continued, and computerized systems will be implemented.

A joint planning meeting of staff from all procurement centres will be held to co-ordinate all planning and sourcing of materials.

- (l) Negotiations to reduce duties and taxes will continue.

- (m) Rigorous cost controls and expense approval measures will be continued and refined.

Corporate goal No. 2: achieve global annual sales of
170 million cards by 1994

3. Financial performance (high income, low costs, high profit) is not the only important factor in GCO operations. Other concerns, such as outreach, visibility and the level of volunteer support for UNICEF, also merit major attention. Annual card sales indicate the progress made towards these qualitative goals. In 1988, a total of 139 million cards was sold. Activities in 1989 and plans for 1990 are intended to produce a steady growth in the volume of cards sold and to achieve the 170 million card target in 1994.

1989 accomplishments

- (a) Based on preliminary reports received from National Committees and field offices, sales in 1989 are expected to exceed previous projections. More definite information on regional performance will be presented to the Executive Board in the provisional report for 1989 (E/ICEF/1990/AB/L.4).

Special programmes promoting the sales of cards to the corporate market, particularly in Europe, have produced high results.

- (b) The implementation of a special marketing project was offered to the United States Committee for UNICEF to build on the decentralized marketing strategy by expanding its sales force and by focusing on high-potential market areas. The results, though moderate, warrant a continuation of the programme.
- (c) The executive directive on the integration of GCO activities in field offices was implemented in most areas. Efforts were made to involve more volunteers and to create an independent volunteer sales force in major markets. Within a transition period of two years, the responsibility, personnel and services for product sales in Japan will be integrated in the Japan Committee for UNICEF. The GCO office was closed.
- (d) The product policy directive was discussed with all concerned parties in order to achieve a unified approach to products and licensing.
- (e) The GCO policy of conducting annual regional workshops continued in order to improve

1990 action plan

- (a) Action and promotion plans will be monitored during campaigns. Improved reporting will permit swift response to consumer trends. Gross proceeds from sales will comprise card (80 per cent) and other products (20 per cent). The goals for card volume sales for the 1990 campaign are:

	Millions
Region I - North America	18
Region II - Latin America	10
Region III - Asia	6
Region IV - Pacific,	
India and Pakistan	11
Region V - Europe	99
Region VI - Africa and	
Middle East	6
Total	150
	=====

- (b) All markets show potential for volume increase, the strongest in the United States. A strengthening of the product mix (for Europe) and of the distribution systems (for the United States) is planned to secure future growth. A special 1990 action plan for "national partnerships" with corporations in the service area and the support of the consignee expansion programme of the United States Committee for UNICEF should provide a breakthrough to make this market the largest of all for UNICEF.
- (c) The integration of GCO-related activities in field offices will be completed in 1990, and in some areas, it will also include private sector fund-raising programmes. The integration of all GCO activities in the Japan Committee for UNICEF will be completed.
- (d) Implementation of the product policy will be closely monitored.
- (e) Global and country planning and the selection of products will continue to

understanding of GCO operations, to achieve joint planning and to activate resources and initiative. Workshops were held in Toronto, Singapore, Quito, Geneva and for, the first time, in Africa.

be done through regional workshops. Important impulses come from these meetings where National Committee exchanges. In Latin America, Asia, the Eastern Mediterranean and Africa, these workshops will greatly help to co-ordinate and integrate activities and to stimulate expansion.

- (f) The star collection concept was maintained in 1989 and introduced in promotional materials. Product categories were refined based on information from sales and testing. Focus groups were used for product testing in the United States.
- (g) Annual surveys in major regions and markets allowed for the updating of centralized information and data on products and competitors.

- (f) The results of focus group studies and surveys will be used to improve product sourcing and design.
- (g) Surveys will be conducted annually to bring information up to date.

Corporate goal No. 3: establish a unified UNICEF image in both products and promotion

4. In order to increase public perception and understanding of the UNICEF identity, it is important to express the mandate of UNICEF in a consistent and correlated manner. The sale of UNICEF products, fund-raising appeals and promotional activities for increasing visibility and support for the organization all pursue this aim. GCO activities during 1989 and plans for 1990 are designed to strengthen the UNICEF corporate image.

1989 accomplishments	1990 action plan
(a) GCO continued to monitor and update the identification standards manual. Uniform standards for corporate stationery were applied and a booklet on exhibits was produced.	(a) Close attention will be given to office signs and to the use of the logo at exhibits.
(b) The planning and implementation of the UNICEF shops concept was further developed with National Committees. GCO provided funds for signs and promotional materials.	(b) Products and activities appropriate for the UNICEF shops that are linked to UNICEF field programmes will be developed (e.g. handicrafts from Guatemala).
(c) Special consideration of the effect of products on the UNICEF image continued. The design, format and process were adjusted to create products that presented a strong, homogeneous UNICEF identity.	(c) To enhance UNICEF commitment to the environment, a range of products and packaging material will be made of recycled paper.
(d) Market research activities were carried out in 1989 to provide a reference for positioning UNICEF in the public eye as a human development organization. The	(d) Based on research studies of past years, a mechanism will be developed to assess annually the positioning of UNICEF in the public eye.

research was intended to influence future documentation and activities.

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| <p>(e) Visits to the Danny Kaye Visitors' Centre by New York City visitors, residents and schools were promoted by means of brochures, public service announcements and kits for teachers.</p> <p>(f) The GCO New York area office assumed responsibility for appropriate theme-oriented exhibits for various uses and locations, drawing on the best existing facilities and expertise.</p> <p>(g) The awareness campaign was extended to include television and radio spots, posters, billboards and other print media.</p> <p>(h) National Committees and field offices invited applications for national awards. The national award winners were considered for the international UNICEF/Ezra Jack Keats Award. The winner will be selected by an international jury in 1990.</p> | <p>(e) The Danny Kaye Visitors' Centre exhibit will be updated and promoted through public service announcements and special promotional material to tourists, families and schools. The planning of a new exhibit for 1991 will be initiated.</p> <p>(f) The participation of UNICEF in the United Nations pavilion at the Seville '92 exhibit is being planned and includes a special "UNICEF" day. Various exhibits will be prepared <u>ad hoc</u> for conferences, seminars and meetings.</p> <p>(g) The awareness campaign will be expanded, with particular emphasis on the follow-up to the World Summit on Children.</p> <p>(h) The UNICEF Ezra Jack Keats Award for Excellence in Children's Books Illustration will be awarded in October 1990. Applications for the bi-annual award will be distributed for 1992.</p> |
|---|--|

Corporate goal No. 4: increase funds for UNICEF general resources through new fund-raising activities directed at the private sector

5. Co-operation and joint planning with National Committees and UNICEF field offices is essential not only for the sale of products, but also in GCO efforts to increase revenues to UNICEF from the private sector. During 1989, GCO and its partners reached understandings on new opportunities and the support services needed to further increase income through private sector fund-raising appeals and special fund-raising events and new initiatives. Detailed plans are shown in the 1990 action plan.

1989 accomplishments

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GCO began implementation of its mandate along the lines established in 1988, in co-operation with National Committees, field offices and relevant UNICEF divisions:

- (a) The establishment of a global private sector fund-raising data base was begun through the distribution of a questionnaire and the collection of statistics on National Committee fund-raising activities.

1990 action plan

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GCO will continue to develop its private sector mandate as assigned by the Executive Director and approved by the Executive Board. Special fund-raising events and new initiatives will be integrated into these activities and with the structures and work plans of other external relations divisions:

- (a) The private sector fund-raising data base will be expanded through further consultation, field research and the creation of a special events data base.

- (b) Negotiations were begun to implement a series of market surveys, feasibility studies and test campaigns to determine the most profitable areas and methods to increase private sector support.
- (b) Intensive surveys, feasibility studies and test campaigns will be carried out to determine the most profitable areas and methods for increasing support to private sector fund-raising and special fund-raising events.
- (c) GCO produced several direct mail packages for National Committees and field offices to use in stimulating more people to become UNICEF supporters and donors.
- (c) GCO will continue to produce direct mail packages for prospecting purposes, as well as support National Committees and field offices in their efforts to attract more support for UNICEF work.
- (d) GCO provided support to National Committees and field offices through workshops, seminars and documentation on direct appeals including mail, telephone, pledge giving, legacies and bequests, payroll deduction, general resources submissions and by establishing a "challenge campaign" to raise \$20 million per year for immunization.
- (d) GCO will continue to support National Committees and field offices in direct appeals to the public through participation in workshops, seminars and one-on-one consultations as and when requested by GCO partners. The Universal Child Immunization (UCI) Challenge Campaign will be developed with the objective of raising \$10 million in 1990 and \$20 million per year from 1991 to 1995.
- (e) GCO provided support to National Committees and field offices through workshops, seminars and documentation on mass appeals such as telethons/radiothons and "Change for Good". Tests of "Change for Good" were conducted with several international carriers.
- (e) Support for mass appeals will be expanded on the basis of results obtained from the market research and surveys being conducted. Links with special fund-raising events will be explored and mass appeal opportunities developed in co-operation with all partners.
- (f) Documentation packages were prepared on Mozambique and on UCI and made available to National Committees and field offices for use in fund-raising campaigns for projects funded from general resources and emergency appeals.
- (f) New documentation packages on appropriate themes, countries and projects will be developed based on feed-back from partners who have received the packages completed to date.
- (g) GCO participated with other UNICEF divisions in preparing procedures and structures for National Committee and field office participation in emergency fund-raising appeals.
- (g) Support will be given to National Committees and field offices wishing to raise money for ongoing and unexpected emergencies, as the need arises.
- (h) GCO expanded the knowledge network on private sector fund-raising ideas and methods by producing and distributing two volumes on direct and mass appeals.
- (h) The knowledge network will be updated and expanded to encompass new techniques, special events and new fund-raising initiatives.
- (i) The GCO structure was further adapted to administer the expanded fund-raising mandate, including special fund-raising event initiatives. New posts were classified, advertised and filled to deal with the new
- (i) The administration of private sector fund-raising and special fund-raising events will be updated and adapted to handle the increasing challenges and opportunities provided by the private sector.

responsibilities, and existing infrastructure posts adapted to handle the new work load.

- (j) GCO, together with other external relations divisions of UNICEF, played an active part in the 1989 New York fund-raising, information and development education workshop. Special emphasis was placed by GCO on the co-ordination of fund-raising support services to National Committees and field offices in emergency situations; fund-raising for UCI in the 1990s and beyond; and providing documentation and support for direct appeals (direct mail), mass appeals (radio/telethons), payroll deduction, legacies and bequests, and corporate fund-raising.
- (j) GCO will continue to serve as the UNICEF focal point for the UNICEF/National Committees' working group on direct mail fund-raising. This working group promotes a common basis for goal-setting, planning and implementation of joint direct mail campaigns and has developed a mechanism for the ongoing exchange of ideas, statistics, experiences and methods.
- (k) Working with other UNICEF external relations divisions and with the United States Committee for UNICEF, GCO established a headquarters task force for private sector fund-raising for UCI.
- (k) This task force will provide information, documentation, technical advice and fund-raising suggestions for National Committees and field offices wishing to raise incremental funds for UCI during the period 1990 to 1995. A target of \$20 million per year has been proposed, and a number of National Committees have already confirmed their interest in setting up national task forces to raise awareness and funds for this purpose.

Corporate goal No. 5: improve the GCO human resources development programme

6. Human resources development is essential for the evolution and growth of GCO. Training programmes and work assignments are intended to enhance the achievement of the corporate goals and to respond to the growth and development needs of staff members. The following activities were implemented in 1989 and are planned for 1990.

1989 accomplishments	1990 action plan
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(a) <u>General</u> : GCO has introduced changes in organizational structure and redeployed posts in order to maximize efficiency. The main purpose of these changes was to have in place organizational structures and staffing strengths that would allow GCO to meet its goals in the 1990s.	(a) <u>General</u> : in 1990, it is intended to improve the overall management of GCO human resources by:
	Determining training requirements and making arrangements to meet established training needs;
	Reviewing job descriptions and grade levels and making proposals for their adaptation, where necessary and feasible;

Developing procedures to improve the efficiency and effectiveness of various staffing actions;

Continuing efforts to achieve and maintain higher standards of staff morale and motivation.

- (b) Training and staff development: preliminary work was done in 1989 in identifying training requirements.

- (b) Training and staff development: action will be taken to meet these needs through on-the-job training and special assignments; in-house training; participation in programmes conducted by the UNICEF Training Section and other United Nations agencies; and participation in training conducted by external agencies and institutions.

With regard to the anticipated intake of new staff and the redeployment of existing staff, it is proposed to conduct GCO-specific orientation and re-orientation programmes as necessary. These efforts will be complementary to the general orientation programmes usually conducted by the UNICEF Training Section.

- (c) Supervisory/management training: as a result of 1989 developments, it is assumed that a number of staff will be promoted into positions that will require them to perform supervisory tasks and exercise managerial responsibilities for the first time.

- (c) Supervisory/management training: efforts will be made to ensure that such staff are given at least basic training in supervisory/managerial skills before or as early as possible in their new posts.

- (d) Staffing and consultancies: GCO staffing and consultancy procedures have been carried out in line with those of the rest of UNICEF.

- (d) Staffing and consultancies: GCO, in close co-operation with the Division of Personnel, will attempt to adapt the staffing and consultancy procedures in such a way that they facilitate GCO requirements in a more efficient and effective way without jeopardizing corporate policies, priorities or interests of the organization and the staff at large.

- (e) Working environment: staff at GCO headquarters worked under trying physical conditions while negotiations continued for new office space in New York.

- (e) Working environment: it is expected that in 1990, the move into new offices at GCO headquarters will improve working conditions and help to maintain staff morale and motivation at a satisfactory level. (See para. 49 regarding the lease renewal).

Corporate goal No. 6: maintain an effective management information system

7. The refinement of controls, the continuous adaptation of communication systems to technological change, the improvement of planning, forecasting and reporting and the gradual expansion of systems to all relevant markets are essential to the management of a growing business. The accomplishments during 1989 and the actions planned for 1990 are intended to ensure maximum effectiveness in this area.

1989 accomplishments	1990 action plan
=====	
(a) <u>Production planning</u> : the time phase planning system was refined to accommodate needs in areas of production and distribution.	(a) The time phase planning system is in effect and will be adapted and refined as necessary.
(b) <u>Communications</u> : the first phase of the computerization of production centres in Brazil and Singapore and GCO field offices was completed.	(b) The second phase of computerization, including user training and system implementation, will be expanded.
(c) <u>Procurement system</u> : for improved cost effectiveness, controls and management reporting purposes, a centralized, automated procurement system was developed and implemented.	(c) With the impending move of the GCO New York office, the new hardware requested in the 1990 budget will be installed.
(d) <u>User training</u> : an extensive programme of user training for more effective usage of existing systems and for the identification of future needs was initiated.	(d) User training will be provided on an ongoing basis.

Annex II

ORGANIZATION AND STAFFING

1. GCO was established by the Executive Board as an integral part of UNICEF to promote greater awareness of the organization's aims and objectives and to generate additional resources. The policies adopted by the Board and the procedures and instructions issued by the Executive Director form the basis for GCO operations.
2. The UNICEF financial regulations, including the special GCO supplement approved by the Executive Board, serve as guidance for the financial and administrative management of GCO.
3. The Director, GCO, is responsible for administering GCO and is accountable to the Executive Director.
4. The GCO Committee advises the Executive Director on GCO operations. This Committee reviews the results of past sales campaigns, the progress of sales and the implementation of production plans, pricing policies, budgets and any other areas relating to general management.
5. In carrying out its mandate, GCO co-operates with National Committees for UNICEF and field offices. Where these do not exist, GCO co-operates with other organizations.
6. The GCO structure comprises GCO headquarters in New York, one area office in New York and one at Geneva.

A. Director's office, headquarters

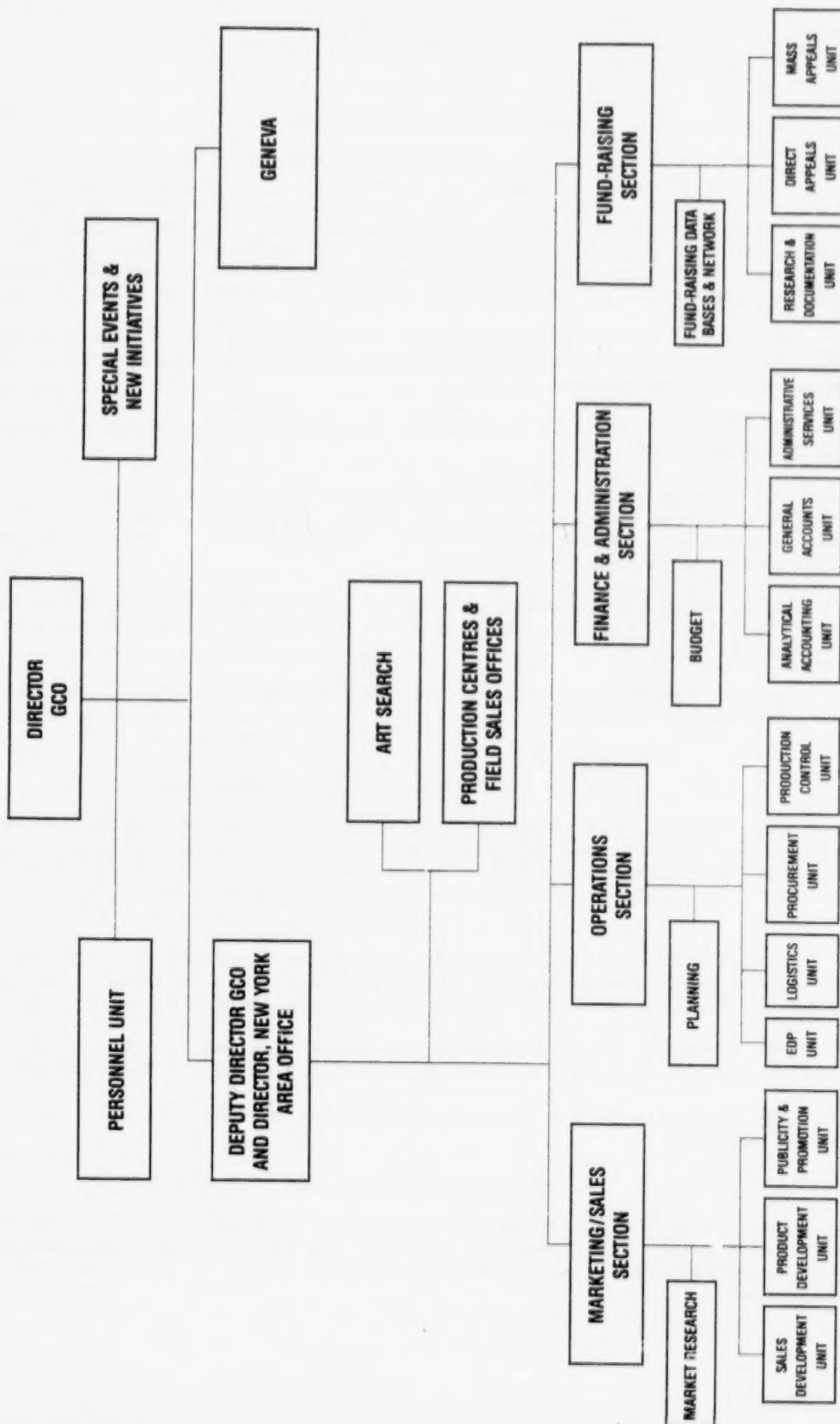
7. The Director, GCO, assumes final responsibility for GCO world-wide, submits budgets for approval and manages GCO financial and human resources. The Deputy Director, GCO, assumes the duties of the Director during the latter's absence and is also responsible for the GCO New York area office.
8. Global GCO policies, operational plans and reporting are overseen by the GCO Management Committee consisting of the Director, GCO (Chairman), the Deputy Director, GCO, the Director, Geneva area office and the Director, SENI.
9. The Director, GCO, is supported in these functions by the GCO Personnel Section and the Finance and Administration Section of the New York area office.
10. The directors of the two GCO area offices and the Director, SENI, report to the GCO Director.

B. GCO area offices: New York and Geneva

11. The New York area office has operational responsibility for the sales regions of North America, Latin America, Asia and the Pacific, India and Pakistan. It also supervises procurement and production centres in New York, Rio de Janeiro and Singapore.

FIGURE 1

**GREETING CARD OPERATION (GCO) AND RELATED ACTIVITIES
ORGANIZATIONAL STRUCTURE
GCO HEADQUARTERS AND NEW YORK AREA OFFICE, 1989**



12. The Geneva area office is responsible for the sales regions in Europe, the Mediterranean and Africa. It has a major distribution centre at Huningue, France.

13. Both area offices have staff who do research and evaluation in order to identify works of art for reproduction as UNICEF products. The New York area office art officer plans and organizes the annual art selection committee meeting and is the focal point for the UNICEF Ezra Jack Keats award.

C. Functional sections of the area offices

Marketing and sales

14. The Marketing and Sales Section, in co-operation with National Committees and GCO field offices, develops plans to meet sales targets and overall strategies for GCO product lines and product development. This section also implements pricing policies and develops strategies for each market in order to maximize income. It provides information to the Operations Section on production requirements. The Marketing and Sales Section also develops and monitors sales and marketing plans for each market and ensures that orders are placed and filled in a timely manner. Marketing and sales officers also carry out consumer research and the analysis of market trends.

15. The marketing and sales officers give functional guidance to sales personnel in GCO field offices, develop sales estimates and determine new markets and market segments with UNICEF product potential. They monitor GCO sales trends through National Committees, non-governmental organizations or other sales partners.

16. The Marketing and Sales Section plans and implements training programmes and workshops and handles all communications with sales partners.

17. A special unit within the section develops advertising, publicity and merchandising materials for use by sales partners. In the New York area office this unit also serves as an agency within UNICEF to provide all divisions with promotion and exhibit services.

Operations

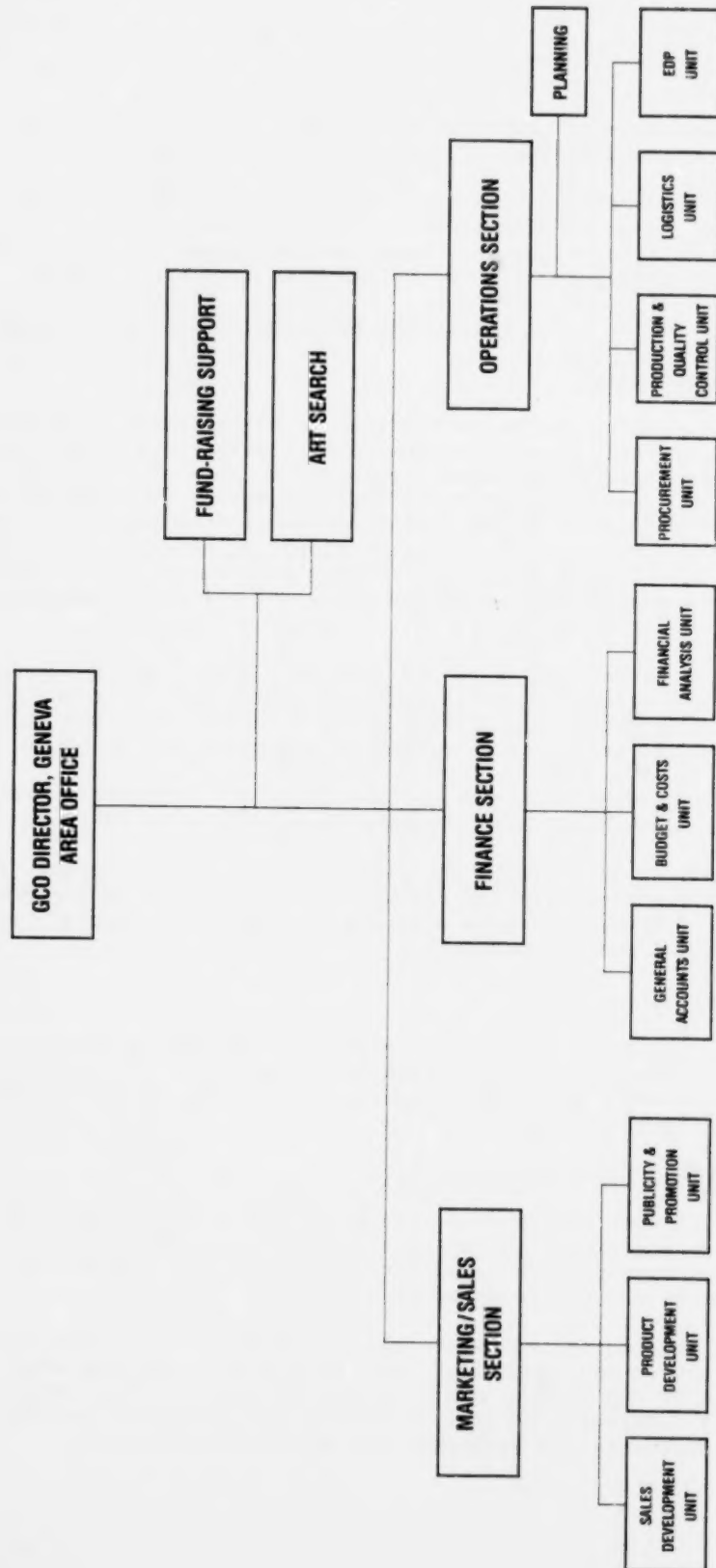
18. The Operations Section is responsible for the production and procurement of all GCO products, including promotion materials. It formulates and implements the annual production plan (procurement, production, quality control, warehousing, shipping and stock control).

Finance and administration

19. The Finance and Administration Section is responsible for finance and accounting functions, including the development and monitoring of cost accounting procedures that provide management with accurate information on production costs for products and publicity materials.

20. The section exercises overall responsibility for the preparation, administration and control of the GCO work plan and evaluates budget estimates submitted by the various sections and offices. It also maintains a system for inventory management control to ensure that inventory and the movement of finished goods, externally and in-house, are accurately recorded.

FIGURE 2
GREETING CARD OPERATION (GCO) AND RELATED ACTIVITIES
ORGANIZATIONAL STRUCTURE
GCO GENEVA AREA OFFICE, 1989



Private sector fund-raising

21. The Private Sector Fund-raising Section, established in 1989 in the New York area office, is responsible for support services to National Committees and field offices.

22. Within this section there are three units responsible respectively for direct appeals, mass appeals and project documentation and fund-raising statistics. The Direct Appeals Unit works with fund-raising partners to prepare direct mail campaigns, including materials, concepts and methods. The Mass Appeals Unit is responsible for similar activities in relationship to mass appeal programmes such as Change for Good, telethons, radiothons, etc. The Project Documentation and Fund-raising Data Base Unit prepares materials and reports on UNICEF themes, projects and partner countries. This unit also collects data on fund-raising methods, techniques, objectives and experiences, and serves as a clearing house for the exchange of such information among GCO and its partners.

23. The Fund-raising Officer, based at Geneva, reports to the GCO Director of the Geneva office and ensures the liaison with partners in the Geneva area. The Fund-raising Officer also works closely with the GCO Private Sector Fund-raising Section in New York to implement GCO policies and activities in the Geneva area.

24. The Fund-raising Section works with National Committees through the fund-raising workshop and the ad hoc working groups established by the workshop. At UNICEF headquarters this section works closely with the Programme Funding Office, the Division of Information, the Division of Public Affairs and the Programme Division in their various areas of competence.

Special fund-raising events and new initiatives

25. As shown in figure 1 of the present annex, a new unit, Special Fund-raising Events and New Initiatives (SENI) has been established in New York. It is headed by a Director at the L-6 level reporting directly to the Director, GCO, and as of 1990, includes eight other project (non-core) staff.

26. The unit is structured to service new fund-raising initiatives and to support special fund-raising events.

27. The Division of Public Affairs of UNICEF will continue to manage special fund-raising events that are of an advocacy nature for the Secretariat. SENI will manage, for the secretariat, all special events other than private sector fund-raising which have a purely fund-raising component. Also, SENI shall organize all approaches to potential sponsors for external funding of special events (fund-raising and/or advocacy) in co-operation with National Committees and the Division of Public Affairs, as necessary.

D. Staffing

Established posts

28. Table 2 of the present annex shows the breakdown of established (core) posts and estimated staff costs for 1990/91. The number of established posts remains unchanged at 140. Of this total, 59 posts are based in New York and 25 in the field offices reporting to the New York area office. A total of 56 posts are based in Geneva.

Table 1. Proposed established posts (core posts) and budgeted staff costs
for the fiscal year 1990/91

Category and level	Number of established posts (core posts)				Budgeted gross salaries by section (global) (Millions of United States dollars)					
	New York Geneva Field			Total 1990	Total 1989	Marketing, art & sales	Operations	Administration	Total 1990	Total 1989
I. International staff										
Director D2	1			1	1			0.1	0.1	0.1
Principal D1	1	1		2	2			0.2	0.2	0.2
Senior officer P5	5	2		7	7	0.3	0.1	0.2	0.6	0.5
First officer P4	8	5	2	15	15	0.4	0.2	0.2	0.8	0.8
Second officer P3	7	11	1	19	19	0.4	0.2	0.2	0.8	0.8
Assistant/associate officer P2/1	5	6		11	11	0.3	0.2	0.1	0.5	0.5
Total international staff	27	25	3	55	55	1.4	0.7	1.0	3.0	2.9
II. Local staff										
a) General Service	32	31	16	79	79	0.7	0.8	0.8	2.3	2.2
b) National Officer			6	6	6	0.2			0.2	0.2
Total local staff	32	31	22	85	85	0.9	0.8	0.8	2.5	2.4

Project (non-core) posts

29. Project posts (non-core posts, in the past categorized as short-term posts) are employed by GCO to meet those commercial objectives and opportunities for which the operation cannot rely on established posts exclusively. GCO project posts are financed from GCO income. Estimated costs, for 1990 compared with 1989 budget and 1988 actual, are shown under "Short-term Professional staff" and "Short-term General Service staff" in Tables 3, 4 and 5 of the main document.

30. Table 3 of the present annex shows the breakdown of project posts by category, location and costs. As of 1990, the total number of project posts world-wide is 130. Of these, 26 are in the International Professional category, 10 are National Officers and 94 are in the General Service category. The geographic breakdown is: 40 posts in New York, 18 in Geneva and 72 in field offices. GCO headquarters project posts, which are listed in document E/ICEF/1990/AB/L.2, are included in table 3 of the work plan for the first time in order that the 1990/91 data may be used as a base for future comparison and monitoring.

31. GCO project posts must be approved by the GCO Committee before undergoing the UNICEF recruitment and appointment process. A detailed list of project posts for 1990 in New York and Geneva is contained in table 3 of the present annex.

Table 2. Proposed project posts (non-core posts) and budgeted staff costs
for the fiscal year 1990/91

Category and level	Number of project posts (non-core posts)			Budgeted gross salaries by section (global) (millions of United States dollars)					
				Total 1990	Marketing, art & sales	Operations	Administration	Fund-raising/ special events	Total 1990
	New York	Geneva	Other						
I. International staff									
Principal	1			1				0.1	0.1
Senior officer	3			3	0.1			0.2	0.3
First officer	5			5	0.1		0.1	0.3	0.5
Second officer	6	2	1	9	0.2	0.1	0.1	0.3	0.7
Assistant/associate officer	6	2		8		0.1		0.1	0.2
Total international staff	21	4	1	26	0.4	0.2	0.2	1.0	1.8
II. Local staff									
a) General Service	19	14	61	94	1.2	0.2	0.1	0.1	1.6
b) National Officer			10	10	0.3	0.1			0.4
Total local staff	19	14	71	104	1.5	0.3	0.1	0.1	2.0
Grand total (see tables 3, 4, and 5)	40	18	72	130	1.9	0.5	0.3	1.1	3.8

Table 3: 1990 Project Posts – New York and Geneva

PAT Number	Level	Post Title	Section	Location
89804	L-6	Director, Special Events and New Initiatives	SENI	NY
89723	L-5	Chief, Fund-raising	Fund-raising	NY
89805	L-5	Senior Administrator, Special Events	SENI	NY
84316	L-5	National Sales Development Manager	Sales/Marketing	NY
89806	L-4	Special Events Officer (Media/Production)	SENI	NY
83395	L-4	Fund-raising Officer (Direct Appeals)	Fund-raising	NY
90275	L-4	Executive Assistant	Director's Office	NY
90276	L-4	Fund-raising Officer (Mass Appeals)	Fund-raising	NY
90277	L-4	Manager, Design Studio	Sales/Marketing	NY
89807	L-3	Special Events Officer (Administrative Control)	SENI	NY
87512	L-3	Manager – Visitors Centre	Director's Office	NY
89554	L-3	Reports and Documentation Officer	Fund-raising	NY
89555	L-3	Fund-raising Officer (Change for Good)	Fund-raising	NY
84323	L-3	Licensing and Special Products Officer	Sales/Marketing	NY
87412	L-3	Quality Control Officer	Operations	NY
87403	L-3	Quality Control Officer	Operations	GVA
90278	L-3	Fund-raising Officer	Fund-raising	GVA
89808	L-2	Assistant Special Events Officer (Logistics)	SENI	NY
89809	L-2	Assistant New Initiative Officer	SENI	NY
86517	L-2	Computer Programmer	Operations	NY
02027	L-2	Assistant Accountant	Finance/Admin.	NY
90279	L-2	Assistant Product Development Officer	Sales/Marketing	NY
90280	L-2	Assistant Sales Officer	Sales/Marketing	NY
86518	L-2	Computer Programmer	Operations	GVA
	L-2	Assistant Special Products Officer	Sales/Marketing	GVA

Table 3 (continued)

PAT		Level	Post title	Section	Location
Number					
84322	G-7		Senior Marketing Assistant	Sales/Marketing	NY
86510	G-6		Fund-raising Assistant	Fund-raising	NY
87509	G-6		Sales Assistant	Sales/Marketing	NY
85508	G-6		Special Products Assistant	Sales/Marketing	NY
88363	G-6		Typesetter	Sales/Marketing	NY
88364	G-6		Project Design Assistant	Sales/Marketing	NY
88144	G-6		Computer Operator	Operations	GVA
86521	G-6		Promotion Assistant (part-time)	Sales/Marketing	GVA
89810	G-5		Secretary to Director	SENI	NY
86519	G-5		Personnel Clerk	Director's Office	NY
86509	G-5		Administrative Assistant	Director's Office	NY
90283	G-5		Fund-raising Assistant	Fund-raising	NY
89569	G-5		Senior Secretary	Sales/Marketing	GVA
86501	G-5		Senior Secretary	Sales/Marketing	GVA
90284	G-5		Shipping Clerk	Operations	GVA
89811	G-4		Secretary	SENI	NY
89812	G-4		Secretary	SENI	NY
02022	G-4		Senior Secretary	Sales/Marketing	NY
83418	G-4		Senior Secretary	Fund-raising	NY
84319	G-4		Data Processing Clerk	Sales/Marketing	NY
84321	G-4		Senior Secretary	Sales/Marketing	NY
83420	G-4		Senior Secretary	Sales/Marketing	NY
89570	G-4		Secretary	Fund-raising	GVA
02535	G-4		Secretary/Administrative Clerk	Director's Office	GVA
90288	G-4		Secretary/Clerk(Art/Design)	Director's Office	GVA
90289	G-4		Secretary	Fund-raising	GVA
02435	G-4		Forklift Operator	Operations	GVA
83419	G-3		Secretary	Finance/Admin.	NY
02274	G-3		Receptionist/Typist	Finance/Admin.	NY
55023	G-2		Warehouse Clerk	Operations	GVA
55024	G-2		Warehouse Clerk	Operations	GVA
87406	G-1		Warehouseman	Operations	GVA
87405	G-1		Warehouseman	Operations	GVA
			International Professional	•	
			General Service	•	
			Total 1990	•	
